

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF VIRGINIA  
Richmond Division

IN RE: THOMAS ALAN MINOR

BKN:3:10-BK-30161-DOT

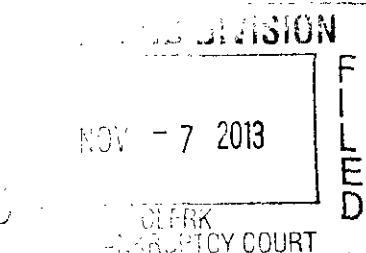
and

RENEE SCOTT MINOR

ELOISE K. HAHN, dba  
BURKE FINANCIAL LLC

and

MEMBER OF WIN PAR  
HOSPITALITY LAREDO LLC



Adversary Proceeding  
Counter Claim Complaint to::

Plaintiff,

APN: 3:13-AP-03152-DOT

v.

THOMAS ALAN MINOR

and

JASON M.KRUMBEIN, ESQ.

Defendants

ADVERSARY PROCEEDING COUNTER CLAIM COMPLAINT

Comes now plaintiff, pro se, who files this adversary proceeding  
counter claim complaint against the defendants and states as follows:

PRELIMINARY STATEMENT

1. This is an action by a former partnership member

and creditor of Win Par Hospitality Laredo, LLC, namely Burke Financial LLC (Hahn), who was swindled out of \$250,000 in a business skam organized by the other two members, being Thomas A. Minor (Minor) and William R. Parsons (Parsons). Hahn seeks actual, statutory, and punitive damages, attorney fees and costs and for declaratory and injunctive relief from Parsons and Minor for fraud. Further, Hahn seeks damages from Minor and Krumbein for harrassment, including damages from Minor for violations of the Bankruptcy Code, 11 U.S.C. Section 523, which precludes him from the discharge protection under Section 524 of the bankruptcy code.

#### JURISDICTION, VENUE and CORE PROCEEDINGS

2. This court has Federal jurisdiction, for Minor pursuant to 11 U.S.C. Sections 523 and 524 of the bankruptcy code.
3. This court is the proper venue for Minor's former bankruptcy proceeding since he filed his chapter 7 petition in this court. The majority of the actions claimed, however, occurred in Brevard County, Florida.
4. The FL state court action has personal jurisdiction over

Parsons since he resides in Brevard County, FL and he regularly transacts business in Florida.

5. The FL state court action has personal jurisdiction over the entity, Win Par Hospitality Laredo, LLC since the entity was incorporated and dissolved in the State of FL.
6. The State of Nevada has personal jurisdiction over Burke Financial, LLC since the entity was incorporated in the State of Nevada,

#### PARTIES

7. Hahn is the manager of Burke Financial, LLC.
8. Burke Financial, LLC was a member of the entity, Win Par Hospitality Laredo, LLC, a former Florida limited liability company.
9. Upon information and belief, Minor is a person who owes money to Hahn.
10. Upon information and belief, Krumbein, is a lawyer for Minor who represents Minor in a former bankruptcy matter filed in the Commonwealth of Virginia and an adversary proceeding he has filed against Hahn and her attorney, Sverbilow (Sverbilow).

#### FACTS

11. Minor filed a Chapter 7 Bankruptcy proceeding on

January 11, 2010. Minor did not disclose the debt due and owing to Hahn and/or Burke Financial LLC in the amount of \$250,000, who were members of Win Par Hospitality Laredo, LLC, nor did he disclose his partnership interest to Win Par Hospitality Laredo LLC , under question 18 of his chapter 7 petition.

- 12.. Minor purchased Lots 11 and 12 from Win Par Hospitality Laredo, LLC on May 31, 2007, copies of the title records are hereto attached in Exhibit A and B.
13. Minor and Parsons used \$149,000 of Hahn 's partnership capital to pay off the remaining note balance with Laredo National Bank on September 30, 2007, as shown on Exhibit C.. Parsons and Minor failed to notify Hahn of the transfer or write Hahn a check for the transfer in violation of Section 9.1, 9.3, and 9.4 of the operating agreement, a copy of which is hereto attached in Exhibit D. Specifically, Minor and Parson did not place cash equal to the purchase price for \$149,000 in escrow for the seller, Hahn. Instead Minor and Parson advised Hahn that they were reducing her LLC membership units from 18.2 to 9.9 so that Hahn would not need to be on the land loan with them for purchasing another lot for the LLC. Minor and Parson did not advise Hahn that they were purchasing

outright the LLC property, being lots 11 and 12 nor did they disclose to her that they had planned to use her capital to pay off a mortgage note with Laredo National Bank for \$149,0000. Essentially, Minor and Parson failed to pay Hahn \$149,000 for their purchase of the LLC lots. Instead they reduced her membership interests in the LLC and used her money as collateral to purchase the third lot. Accordingly, Hahn's money was part of the land loan and her membership interest should not have been reduced from 18.2 to 9.9, particularly since Minor and Parson were given mortgage proceeds from the LLC bank account in 2007. Additionally, Minor and Parsons failed to inform Hahn that the transfer of her membership units of 18.2 - 9.9 = 8.3 units would result in termination of the LLC for federal income tax purposes.

14. Minor purchased another lot, namely lot 13 on May 31, 2007, for \$988,000, from another party as documented in Exhibit E, a copy of which is hereto attached.
- 15.. Minor failed to disclose his partnership interests in the entity, Win Par Hospitality Laredo, LLC, on question 18 of his chapter 7 petition for the

period of 2005 through 2009, including other partnership interests he may have disclosed on his financial statement to Laredo National Bank in 2005 and 2007.

Accordingly, Minor has violated Section 523 of the bankruptcy code and is precluded from chapter 7 protection pursuant to Section 524 of the bankruptcy code. Lists of members for the entity, Win Par Hospitality Laredo, LLC is hereto attached in Exhibit F.

16. Hahn was not notified of Minor's chapter 7 bankruptcy proceeding in 2010 by this court. Had Hahn been notified she would have objected to the discharge of debt in the amount of \$250,000 due to fraud.
17. A Chapter 7 discharge was entered on June 12, 2010, and Minor's bankruptcy was closed shortly thereafter.
18. In January of 2011, Hahn sent Minor a demand letter for payment of \$250,000 as outlined in a promissary note he had jointly executed with William Parsons on September 17, 2009, a copy of which is hereto attached in Exhibit G.
19. In 2012, Hahn contacted Minor with respect to the payment of the \$250,000. Minor advised Hahn that he was not on speaking terms with Parsons and

that he filed a personal bankruptcy. Minor also advised Hahn that the LLC folded. Further, Minor advised Hahn to report her loss for \$250,000 without providing any financial documentation to support his bankruptcy claim, or any record documentation of what had transpired with Hahn's capital contribution to the LLC from 2006 to 2012. Essentially, Minor and Parsons had willfully violated the rules and regulations contained in the operating agreement for Win Par Hospitality Laredo, LLC, under Section 8 , a copy of which is hereto attached in Exhibit H. Specifically, Parsons and Minor failed to disclose to Hahn that they had dissolved the LLC entity on September 25, 2009, after they had provided her a promissary note for \$250,000 on September 17, 2009. Minor and Parson dissolved the LLC entity even though there was no involuntary petition in bankruptcy against the LLC nor was their a filing against the LLC for reorganization. Minor and Parson also violated Section 6.2 of the operating agreement in that they failed to pay Hahn her capital contribution of \$250,000 in first order of priority. Instead Hahn was second or third order of priority since Parsons and Minor used her remaining capital contribution of \$71,000 to pay off notes from

other creditors of the LLC in 2008. They did so willfully to conceal the equity they received from the lots in any mortgage agreement executed by them for the period May 2007 through February 3, 2009, specifically mortgage agreements on May 31, 2007, and August 1, 2008, copies of which are hereto attached in Exhibits A, B, and E. Parsons and Minor have also failed in providing Hahn any alleged foreclosure documentation of the lots to date, including short sales they may have negotiated. Apparently, Parsons and Minor have denied Hahn these documents to conceal the equity lines of cash they received from financing and refinancing the three lots for the period May of 2007 through February 3, 2009, specifically they refinanced the three lots to a total mortgage amount of \$2,229,000 on August 1, 2008, which attributed to a short sales transaction of the lots on February 3, 2009, exceeding \$2,400,000. It is Hahn's impression that Parsons and Minor have concealed this information since they had agreed to pay her \$250,000 at the time the lots were sold, so  $(0.099)(\$2,400,000) = \$237,600$  plus interest or  $(.182)(\$2,400,000) = \$436,800$  plus interest. They have done so willfully.

20. That Hahn had no recourse but to file a complaint in

Brevard County, FL requesting the financial records of the LLC and demanding payment of the \$250,000.

In May of 2012 Parsons provided Hahn the financial documentation for the LLC. Unfortunately, Hahn was no longer able to report the partnership losses on her tax returns since she would have had to report the losses for 2007 and 2008 within three years from the date the loss occurred or April 15 of 2011 and 2012, respectively. Hahn has documented a total partnership loss of \$250,000 on her amended 2009 tax return dated April 15, 2013, however, she has not exercised the loss to offset any income to date due to negative cash flow and because she holds a promissary note for \$250,000, and the U. S. Treasury has advised her that the parties, Parson and Minor, promised to pay her back the \$250,000. Parsons failed in disclosing to the U.S. Treasury Hahn's *membership interests to the entity, Win Par* Hospitality Laredo, LLC , however, Hahn was advised by her accountant that she did hold an equitable partnership interest to the LLC and that the partnership interest was not worthless In other words the LLC did not file bankruptcy, only Minor filed a chapter 7 personal bankruptcy with his

spouse. Parsons and Minor also failed to disclose to Hahn the lot sale transaction for over \$2,400,000 on February 3, 2009, including their failure to write Hahn a check for \$250,000 as agreed. They have done so willfully.

- 21.. That Hahn had filed a prior complaint against both Minor and Parsons. In April of 2008 Parson and Minor agreed to sell the LLC business property in Texas and return \$250,000 to Hahn.
- 22.. That Parsons and Minors' joint counsel in Brevard County failed to respond to the complaint Hahn had filed. Accordingly, Hahn filed a Motion for Default.
23. That Florida counsel for Parsons and Minor filed a Motion to Dismiss Hahn's Complaint.
24. That Hahn had no recourse but to retain counsel in Florida for representation of the matter in a hearing conducted in January of 2013.
25. That the case in Florida was subsequently scheduled for trial in September of 2013.
- 26.. That Attorney Sverbilow (Sverbilow) was notified of Minor's chapter 7 proceeding on July 17, 2013. After review of the bankruptcy petition, Sverbilow, notified Hahn that Minor did not disclose his debt

to Hahn for \$250,000 on his chapter 7 petition.

27. That on August 2, 2013, Minor retained Krumbein to enjoin Hahn from proceeding with the trial in Brevard County, Florida. Hahn's counsel, Sverbilow, was also served an injunction notice.

28. That Krumbein also served Hahn and Sverbilow an adversary proceeding on the matter.

29. That Krumbein telephonically contacted Sverbilow threatening to sue Hahn and him for substantial sums of money, particularly he told Sverbilow, "She is a wealthy lady. I plan to sue you both for \$25,000 or more".

That Hahn was notified of Krumbein's threat on October 23, 2013. For the record, Hahn may have been wealthy prior to being skammed out of her \$250,000 life savings. That is no longer the case and Hahn requests this court to enjoin Krumbein from contacting Sverbilow and/or herself with anymore threatening remarks since Sverbilow dismissed Minor from the FL state court action, however, Hahn pursues this matter in VA due to fraud.

30. That Hahn commenced action in seeking counsel in

Virginia. Hahn was advised by counsel that Minor had failed to disclose the debt to Hahn for \$250,000, including his failure to disclose his former partnership interest in the entity, Win Par Hospitality Laredo, LLC. Accordingly, Minor was in violation of Section 523 of the bankruptcy code and was precluded from chapter 7 protection pursuant to Section 524 of the bankruptcy code.

31. That Hahn's was advised that Minor's debt to Hahn for \$250,000 may not be dischargeable based on fraud, specifically he concealed the debt to Hahn in the amount of \$250,000 since he wanted to conceal his partnership interests in Win Par Hospitality Laredo, LLC to extinguish any tax liabilities which may have been incurred by listing the debt on his chapter 7 petition and/or the equity distribution he received when he refinanced the lots in Laredo, TX on August 1, 2008, which were subsequently sold in February of 2009 for over \$2,400,000.
32. That Krumbein has argued Minor is entitled to the discharge since the debt was a pre-debt which was incurred prior to the bankruptcy proceeding. Hahn argues that the debt is not related to Minor's bankruptcy since the lots were

sold for over \$2,400,000, which exceeded the mortgage note amounts of \$743,000 per lot. Accordingly, there was no outstanding debt due to the lenders and the debt to Hahn should have been paid at the time Minor and Parson purchased two of the lots from Win Par Hospitality Laredo LLC in 2007 and used her capital of \$149,000 to purchase the lots without writing her a check, including when they refinanced all the LLC lots on August 1, 2008 for over \$2,100,000 or when the lots were sold on February 3, 2009, for over \$2,400,000. Apparently the equity of the LLC lots exceeded \$1,400,000 and there was plenty of money to pay Hahn the \$250,000, as agreed.

33. That Hahn has not been provided with the list of creditors on Minor's chapter 7 proceeding, except he reported a debt to his mortgage company, Diversified Commercial Mortgage, in the amount of \$783,000. That mortgage debt is not related to the LLC sales transaction since all notes were paid off when Compass Bank purchased the LLC lots on February 3, 2009. Further, Minor and Krumbein have alleged Hahn is a creditor and not a member to the entity, Win ParHospitality Laredo, LLC. They

have done so willfully since Krumbein and Minor know Burke Financial, LLC is on the brink of a chapter 7 bankruptcy due to Minor and Parsons' failure to pay back Burke the \$250,000 as outlined in the settlement agreement. Apparently, Minor and Krumbein feel they get a better deal to sue Hahn personally instead of Burke Financial LLC which was the member of the LLC so that they can collect money from Hahn's social security disability check.

34. That Sverbilow advised Hahn that the debt could not be discharged if fraud had occurred.
35. That Hahn has begun investigation of the matter. The title reports of the LLC document Minor purchasing the LLC property in May of 2007, however, Minor failed to write Hahn a check for the sales transaction, nor did he inform her that he had used her capital in the amount \$149,000 to buy the LLC property, namely lots 11 and 12.
- 36.. That Hahn was further informed from her title search that Minor had purchased a third lot for \$988,000 and that he had financed the property for \$743,000.
37. That Hahn was also informed that Minor and Parson had refinanced the LLC property for \$1,486,000 on August 1, 2008, being Lots 11 and 12.

38. That Minor and Parson purchased the LLC property a year earlier for \$328,000, almost a million dollars less than the refinanced amount, and failed to provide Hahn a check for the sales transaction.
39. That Hahn's title searches further document all three lots being sold on February 3, 2009, for \$802,000 a lot or a total sales transaction of over \$2,400,000

#### CLAIM FOR RELIEF

1. Hahn restates and realleges paragraphs 1-39.
2. Minor has willfully violated 11 U.S.C. Section 523 in that he concealed his debt to Hahn for \$250,000 and his former partnership interests with the entity, Win Par Hospitality Laredo, LLC., in efforts to conceal any equity he received from refinancing the lots on August 1, 2008, and/or the equity received from the LLC lot sales for over \$2,400,000 on February 3, 2009.
3. That Minor has caused injury in fact, by causing among other effects, attorney and litigation fees in connection with litigating the FL state court lawsuit and the Virginia bankruptcy matter, mental and emotional distress, damage to Hahn and Burke's credit reputation, and damage to Hahn's physical well-being, specifically:

making Hahn a victim of a business scam where she was robbed of her life savings of \$250,000 and victimizing Hahn with relentless threats and harassment in efforts to be dismissed from his financial obligations to her, including Minor and Krumbeins' intentions to rob Hahn again alleging Hahn and Sverbilow violated Section 524 of the bankruptcy code. Minor violated Section 523 of the bankruptcy code on his chapter 7 petition and is precluded from chapter 7 protection pursuant to Section 524 of the bankruptcy code. Hahn and Sverbilow were not informed of Minor's bankruptcy until July 17, 2013. Hahn has not been provided the list of creditors on Minor's chapter 7 petition and requests this court to reopen the bankruptcy proceeding at this time to determine if the debt to Hahn and/or Burke Financial, LLC in the amount of \$250,000 can be discharged. In other words Minor can be excused for violating Section 523 of the bankruptcy code and whether or not his former actions were fraudulent while acting as a managing member to Win Par Hospitality Laredo, LLC. The title reports document no debt due and owing to the lenders of the lots since they were sold for more money than the borrowed note amounts and there was plenty of

equity to pay Hahn the debt due and owing for \$250,000, specifically since the lots had appreciated considerably fromn the time of purchase in 2005. Apparently, Minor's bankruptcy proceedings are related to another business venture which occurred after the LLC lot sales on February 3, 2009. Hahn cannot be responsible for Minor's misfortune in other business ventures that failed after business was transacted with Win Par Hospitality Laredo LLC. Minor and Parson both knew they were responsible to pay Hahn the \$250,000 debt at the time the LLC lots sold. They did so willfully. Hahn should not be denied payment of the debt if Parsons and Minor used her capital in another business venture that tanked. Minor and Parson were not authorized to use Hahn's money for any other transactions other than the entity, Win Par Hospitality Laredo, LLC. Hahn and Sverbilow cannot be responsible for Minor's violations of Section 523 of the bankruptcy code, nor his violations of the terms and conditions set forth in the operating agreement for Win Par Hospitality Laredo, LLC.

It is much the same that a criminal party not be charged with fraud for skimming the victim out of their life savings

and be allowed to continue harassing the victim with threats to rob her again for rightfully seeking justice in the collection of a debt rightfully hers. The damage is done and the melicous conduct of the greedy defendants continue with relentless illegal tactics to rob her again and again with their adversary proceeding claims for an alleged violation of Section 524 of the bankruptcy code. On the contrary, the con artist's profit taking practices in acquiring over a million dollars from the victim's capital contributions of \$250,000 must be carefully considered before any sanctions are imposed to Hahn and Sverbilow.

Minor's actions will set a precedence for all debtors to follow suit in seeking unjust enrichment from robbing victims out of their life savings and then discharging the debt owed to the victims in a bankruptcy proceeding that fails to disclose the debts owed to the victims and their former partnership interests which enabled the debtor the unjust enrichment. Hahn continues to suffer from Minor's malicious conduct in that he has opposed her right to happiness since his actions have been deliberate locking Hahn's life in misfortune. Minor continues to put the weight of his misfortune onto Hahn in hopes to extinguish his financial obligations to Hahn for \$250,000. Minor's malicious conduct has

continued in efforts to extract more money from Hahn , which Hahn does not have, attributing to painful failures to Hahn's life. Minor's malicious efforts have attributed to so much negativity that Hahn has stopped believing in herself which has inverted her destiny for a better life free from pain and agony from harrassment and threats. Minor's conduct has attributed to day to day unhappiness where Hahn needs to pay attention to every expense while Minor can afford to treat himself and his family whatever way they like at Hahn's expense. Minor continues to live off the luck Hahn has been deprived of. Minor's actions have attributed to extreme anxiety, loss of wages, and endless litigation expenditures in his efforts to conceal the refinancing of the lots for over \$2,000,000 dollars. The defendants, Minor and Krumbein, have done so willfully. They continue to point a gun to Hahn's head in efforts to sanction any and all property from Hahn to pacify their greed. It is much the same that a robber be allowed to continue robbing the victim of any and everything they can seize from their skams.

Hahn enters her Adversary Pleading to this matter at this time and requests this court to reopen Minor's bankruptcy to determine if the debt to Hahn is

dischargeable in the amount of \$250,000, i.e., that Minor did not commit fraud when he purchased the lots from the LLC and failed to write Hahn a check for her capital contribution, including whether or not Minor committed fraud when he refinanced the lots for over two million dollars on August 1, 2008, and/or sold them for over \$2,400,000 on February 3, 2009, and failed to reimburse Hahn her capital contribution of \$250,000. Hahn further requests relief from this court to enjoin Krumbein from harrasment and threats in efforts to rob her for more money which Burke Financial LLC does not have.



ELOISE K. HAHN  
Manager of Burke Financial LLC  
Member of Winpar Hospitality Laredo LLC  
313 East 1300 North  
Chesterton, IN 46304

I HEREBY CERTIFY that a true and correct copy of the foregoing has been sent via U.S. Mail to Howard Sverbilow, Esquire, 190 Fortenberry Road, Suite 107, Merritt Island, Florida 32952-3401, Jason M. Krumbein, Esquire, 5310 Market Road, Suite 102, Richmond, VA 23230, and Clerk of the Court, U.S. Bankruptcy Court, 701 E. Broad St.,

Suite 4000, Richmond, VA 23219 on November 6, 2013.

**EXHIBIT A**

## Property Detail Report

For Property Located At:  
6427 POLARIS DR, LAREDO, TX 78041



### Owner Information

Owner Name: NORTHPOINT PARK LTD  
Mailing Address: 517 SHILOH DR #1, LAREDO TX 78045-6722 C076  
Vesting Codes: // CO

### Location Information

Legal Description:	JACAMAN RANCH, BLOCK 2, LOT 11, UNIT 8		
County:	WEBB, TX	APN:	947-46002-110
Census Tract / Block:	16.02 / 2	Alternate APN:	319083
Township-Range-Sect:		Subdivision:	JACAMAN RANCH
Legal Book/Page:		Map Reference:	/
Legal Lot:	11	Tract #:	
Legal Block:	2	School District:	S7
Market Area:		School District Name:	UNITED ISD
Neighbor Code:	CD94	Munic/Township:	LAREDO

### Owner Transfer Information

Recording/Sale Date: / Deed Type:  
Sale Price: 1st Mtg Document #:

### Document #:

### Last Market Sale Information

Recording/Sale Date:	03/14/2011 / 03/10/2011	1st Mtg Amount/Type:	\$479,750 / CONV
Sale Price:	\$599,687	1st Mtg Int. Rate/Type:	/
Sale Type:	ESTIMATED	1st Mtg Document #:	3061-681
Document #:	3061-676	2nd Mtg Amount/Type:	/
Deed Type:	SPECIAL WARRANTY DEED	2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	

### Prior Sale Information

Prior Rec/Sale Date: 06/04/2007 / 05/29/2007 Prior Lender:  
Prior Sale Price: /  
Prior Doc Number: 2370-115 Prior 1st Mtg Amt/Type: /  
Prior Deed Type: WARRANTY DEED Prior 1st Mtg Rate/Type: /

### Property Characteristics

Year Built / Eff	/	Total Rooms/Offices	Garage Area:
Gross Area:		Total Restrooms:	Garage Capacity:
Building Area:		Roof Type:	Parking Spaces:
Tot Adj Area:		Roof Material:	Heat Type:
Above Grade:		Construction:	Air Cond:
# of Stories:		Foundation:	Pool:
Other Improvements:		Exterior wall:	Quality:
		Basement Area:	Condition:

### Site Information

Zoning:	B-4	Acres:	0.67	County Use:	
Lot Area:	29,185	Lot Width/Depth:	x	State Use:	VACNT-PLATTED- LOT-COMM (C2)
Land Use:	COMMERCIAL LOT	Commercial Units:		Water Type:	
Site Influence:		Sewer Type:		Building Class:	
Tax Information					
Total Value:	\$131,330	Assessed Year:	2013	Property Tax:	\$3,277.27
Land Value:	\$131,330	Improved %:		Tax Area:	G3
Improvement Value:		Tax Year:	2013	Tax Exemption:	
Total Taxable Value:					

Street Map  
Plus Report  
For Property  
Located At



U.S. TITLE RECORDS  
PROPERTY & TITLE INFORMATION

**6427 POLARIS DR, LAREDO, TX 78041**

[View Interactive Map](#)

Transaction  
History Report  
For Property  
Located At



U.S. TITLE RECORDS  
PROPERTY & TITLE INFORMATION

**6427 POLARIS DR, LAREDO, TX 78041**

**TRANSACTION HISTORY**

History Record #: **1**

**Sale:**

Sale Recording Date:	<b>03/14/2011</b>	Sale Price:	<b>\$599,688</b>
Sale Date:	<b>03/10/2011</b>	Sale Price Type:	<b>ESTIMATED</b>
Rec. Document #:	<b>3061-676</b>	Multi/Split Sale:	<b>MULTI</b>
Document Type:	<b>SPECIAL WARRANTY DEED</b>	Other Document #:	

Title Company: **NEEL TITLE CORP**  
Buyer: **NORTHPOINT PARK LTD**  
Seller: **COMPASS BK**

**Finance:**

Mtg Recording Date:	<b>03/14/2011</b>	Mtg Loan Type:	<b>CONV</b>
Mtg Document #:	<b>3061-681</b>	Mtg Rate Type:	
Document Type:	<b>DEED OF TRUST</b>	Mtg Term:	<b>15 YEARS</b>
Lender:	<b>FALCON INT'L BK</b>	Mtg Rate:	
Loan Amount:	<b>\$479,750</b>	Borrower Vesting:	<b>// CO</b>
Borrower 1:	<b>NORTHPOINT PARK LTD</b>		

Borrower 2:  
Borrower 3:  
Borrower 4:

History Record #: **2**

***Sale:***

Sale Recording Date:	<b>03/09/2009</b>	Sale Price:	<b>\$802,156</b>
Sale Date:	<b>02/03/2009</b>	Sale Price Type:	
Rec. Document #:	<b>2723-659</b>	Multi/Split Sale:	<b>MULTI</b>
Document Type:	<b>TRUSTEE'S DEED</b>	Other Document #:	
Title Company:	<b>ATTORNEY ONLY</b>		
Buyer:	<b>COMPASS BK</b>		
Seller:	<b>GARCIA CLAUDIA L</b>		

History Record #: **3**

***Finance:***

Mtg Recording Date:	<b>08/01/2008</b>	Mtg Loan Type:	
Mtg Document #:	<b>2626-32</b>	Mtg Rate Type:	
	<b>MORTGAGE</b>		
Document Type:	<b>MODIFICATION</b>	Mtg Term:	<b>1 YEARS</b>
	<b>AGREEMNT</b>		
	<b>* OTHER</b>		
Lender:	<b>INSTITUTIONAL</b>	Mtg Rate:	
	<b>LENDERS</b>		
Loan Amount:	<b>\$743,000</b>	Borrower Vesting:	<b>//</b>
Borrower 1:	<b>MINOR THOMAS</b>	Orig. Recording	
	<b>A</b>	Date:	
Borrower 2:	<b>PARSONS</b>		
	<b>WILLIAM R</b>	Orig. Document #:	
Borrower 3:			
Borrower 4:			

History Record #: **4**

***Sale:***

Sale Recording Date:	<b>06/04/2007</b>	Sale Price:	
Sale Date:	<b>05/29/2007</b>	Sale Price Type:	
Rec. Document #:	<b>2370-115</b>	Multi/Split Sale:	<b>MULTIPLE</b>
Document Type:	<b>WARRANTY DEED</b>	Other Document #:	
Title Company:			
Buyer:	<b>MINOR THOMAS A</b>		
Seller:	<b>WINPAR HOSPITALITY LAREDO LLC</b>		

**EXHIBIT B**

## Property Detail Report

For Property Located At :  
2311 SATURN DR, LAREDO, TX 78041



### Owner Information

Owner Name: NORTHPOINT PARK LTD  
Mailing Address: 517 SHILOH DR #1, LAREDO TX 78045-6722 C076  
Vesting Codes: // CO

### Location Information

Legal Description: JACAMAN RANCH, BLOCK 2, LOT 12, UNIT 8  
County: WEBB, TX APN: 947-46002-120  
Census Tract / Block: 16.02 / 2 Alternate APN: 319084  
Township-Range-Sect: Subdivision: JACAMAN RANCH  
Legal Book/Page: Map Reference: /  
Legal Lot: 12 Tract #:  
Legal Block: 2 School District: S7  
Market Area: School District Name: UNITED ISD  
Neighbor Code: CD94 Munic/Township: LAREDO

### Owner Transfer Information

Recording/Sale Date: / Deed Type:  
Sale Price: 1st Mtg Document #:

Document #:

### Last Market Sale Information

Recording/Sale Date: 03/14/2011 / 03/10/2011 1st Mtg Amount/Type: \$479,750 / CONV  
Sale Price: \$599,687 1st Mtg Int. Rate/Type: /  
Sale Type: ESTIMATED 1st Mtg Document #: 3061-681  
Document #: 3061-676 2nd Mtg Amount/Type: /  
Deed Type: SPECIAL WARRANTY DEED 2nd Mtg Int. Rate/Type: /  
Transfer Document #: Price Per SqFt:  
New Construction: Multi/Split Sale: MULTI

### Title Company:

Lender: FALCON INTL BK  
Seller Name: COMPASS BK

### Prior Sale Information

Prior Rec/Sale Date: 06/04/2007 / 05/29/2007 Prior Lender: /  
Prior Sale Price: /  
Prior Doc Number: 2370-115 Prior 1st Mtg Amt/Type: /  
Prior Deed Type: WARRANTY DEED Prior 1st Mtg Rate/Type: /

### Property Characteristics

Year Built / Eff:	/	Total Rooms/Offices	Garage Area:
Gross Area:		Total Restrooms:	Garage Capacity:
Building Area:		Roof Type:	Parking Spaces:
Tot Adj Area:		Roof Material:	Heat Type:
Above Grade:		Construction:	Air Cond:
# of Stories:		Foundation:	Pool:
Other Improvements:		Exterior wall:	Quality:
		Basement Area:	Condition:

### Site Information

Zoning:	B-4	Acres:	0.78	County Use:
Lot Area:	33,977	Lot Width/Depth:	x	State Use: VACNT-PLATTED- LOT-COMM (C2)
Land Use:	COMMERCIAL LOT	Commercial Units:		Water Type:
Site Influence:		Sewer Type:		Building Class:
Tax Information				
Total Value:	\$152,900	Assessed Year:	2013	Property Tax: \$3,815.53
Land Value:	\$152,900	Improved %:		Tax Area: G3
Improvement Value:		Tax Year:	2013	Tax Exemption:
Total Taxable Value:				

Transaction  
History Report  
For Property  
Located At



**U.S. TITLE RECORDS**  
PROPERTY & TITLE INFORMATION

**2311 SATURN DR, LAREDO, TX 78041**

**TRANSACTION HISTORY**

History Record #: 1

**Sale:**

Sale Recording Date:	<b>03/14/2011</b>	Sale Price:	<b>\$599,688</b>
Sale Date:	<b>03/10/2011</b>	Sale Price Type:	<b>ESTIMATED</b>
Rec. Document #:	<b>3061-676</b>	Multi/Split Sale:	<b>MULTI</b>
Document Type:	<b>SPECIAL WARRANTY DEED</b>	Other Document #:	
Title Company:	<b>NEEL TITLE CORP</b>		
Buyer:	<b>NORTHPOINT PARK LTD</b>		
Seller:	<b>COMPASS BK</b>		

**Finance:**

Mtg Recording Date:	<b>03/14/2011</b>	Mtg Loan Type:	<b>CONV</b>
Mtg Document #:	<b>3061-681</b>	Mtg Rate Type:	
Document Type:	<b>DEED OF TRUST</b>	Mtg Term:	<b>15 YEARS</b>

Lender:	<b>FALCON INT'L BK</b>		
Loan Amount:	<b>\$479,750</b>		
Borrower 1:	<b>NORTHPOINT PARK LTD</b>		

Borrower 2:

Borrower 3:

Borrower 4:

History Record #: 2

**Sale:**

Sale Recording Date:	<b>03/09/2009</b>	Sale Price:	<b>\$802,156</b>
Sale Date:	<b>02/03/2009</b>	Sale Price Type:	
Rec. Document #:	<b>2723-659</b>	Multi/Split Sale:	<b>MULTI</b>
Document Type:	<b>TRUSTEE'S DEED</b>	Other Document #:	
Title Company:	<b>ATTORNEY ONLY</b>		
Buyer:	<b>COMPASS BK</b>		

Seller: **GARCIA CLAUDIA L**

History Record #: **3**

**Finance:**

Mtg Recording **08/01/2008** Mtg Loan Type:  
Date:  
Mtg Document #: **2626-32** Mtg Rate Type:  
**MORTGAGE**  
Document Type: **MODIFICATION** Mtg Term: **1 YEARS**  
**AGREEMNT**  
**\* OTHER**  
Lender: **INSTITUTIONAL** Mtg Rate:  
**LENDERS**  
Loan Amount: **\$743,000** Borrower Vesting: **//**  
Borrower 1: **MINOR THOMAS** Orig. Recording  
**A** Date:  
Borrower 2: **PARSONS** Orig. Document #:  
**WILLIAM R**  
Borrower 3:  
Borrower 4:

History Record #: **4**

**Sale:**

Sale Recording **06/04/2007** Sale Price:  
Date:  
Sale Date: **05/29/2007** Sale Price Type:  
Rec. Document #: **2370-115** Multi/Split Sale: **MULTI**  
Document Type: **WARRANTY DEED** Other Document #:  
Title Company:  
Buyer: **MINOR THOMAS A**  
Seller: **WINPAR HOSPITALITY LAREDO LLC**

**EXHIBIT C**

*General Ledger Report*

Period End Range: 1/31/2007 Through 12/31/2007

Account	Jnl Batch No.	Type	Document No.	Description	Jnl	ApI Date	Sys	IntCo	Subsid	Debit Amount	Credit Amount
										0.00	26,000.00

00-2650 - Notes Payable-IBC LAND LOAN

Open Balance: A

4/30/2006

Posted Starting Balance: NET

-328,000.00

328,000.00

328,000.00

Account Total: NET

0.00

328,000.00

328,000.00

00-2675 - NOTES PAYABLE-ATM

Open Balance:

Posted Starting Balance: NET

0.00

0.00

Posted	
BB-0000000000019	A
BB-0000000000020	A
BB-0000000000020	A

010107	0227	0316
WPLAR OWES ATM	BB 1/1/2007	4
WPLAR OWES ATM	BB 2/27/2007	4
WPLAR PAID ATM	BB 3/16/2007	4

Account Total: NET

-13,500.00

10,000.00

23,500.00

00-2690 - Notes Payable-ADG

Open Balance:

Posted Starting Balance: NET

0.00

0.00

Posted	
BB-0000000000020	A
BB-0000000000020	A

0222	0419	
WPLAR OWES ADG	BB 2/22/2007	4
WIRE TRANSFER TO ADG	BB 4/19/2007	4

10,000.00

20,000.00

## General Ledger Report

Period End Range: 1/31/2007 Through 12/31/2007

## General Ledger Report

Period End Range: 1/31/2007 Through 12/31/2007

Account

Jnl Batch No. Type Document No.

Description

Jnl Apl Date

Sys IntCo

Subsid

Account Total:

NET

&lt;&lt;No Activity&gt;&gt;

Debit Amount

Credit Amount

00-3350 - Income Summary

Open Balance:

Posted	Starting Balance:	Debit Amount	Credit Amount
Account Total:	NET	0.00	0.00
GJ-0000000000043 A	NL CE/S	2,880.46	
GJ-0000000000044 A	NL CE/S	150.00	
GJ-0000000000047 A	NL CE/S	9.92	
GJ-0000000000045 A	NL CE/S	2,781.16	
GJ-0000000000048 A	NL CE/S	12.96	
GJ-0000000000046 A	NL CE/S	241.98	
GJ-0000000000049 A	NL CE/S	300.86	
GJ-0000000000060 A	NL CE/S	400.00	
GJ-0000000000061 A	NL CE/S	280.86	
GJ-0000000000062 A	NL CE/S	280.86	
GJ-0000000000050 A	NL CE/S	326.62	
GJ-0000000000051 A	NL CE/S	-13.81	
GJ-0000000000052 A	NL CE/S	1,512.03	
GJ-0000000000053 A	NL CE/S	12.05	
GJ-0000000000054 A	NL CE/S	12.07	
GJ-0000000000055 A	NL CE/S	12.12	
GJ-0000000000056 A	NL CE/S	12.20	
	Account Total:	280.86	8,959.10

00-3400 - Current Earnings

Open Balance:

Posted	Starting Balance:	Debit Amount	Credit Amount
Account Total:	NET	0.00	0.00
GJ-0000000000043 A	NL CE/S	2,880.46	
GJ-0000000000044 A	NL CE/S	150.00	
GJ-0000000000047 A	NL CE/S	9.92	

Created : 3/21/2008 4:37:02PM

## General Ledger Report

Period End Range: 1/31/2007 Through 12/31/2007

Account	Jnl Batch No.	Type	Document No.	Description	Jnl	ApI Date	Sys	IntCo	Subsid	Debit Amount	Credit Amour
	GJ-0000000000045	A	NLCE/S	Current Earn / Income Summe GJ	2/28/2007	E				2,781.16	
	GJ-0000000000048	A	NLCE/S	Current Earn / Income Summe GJ	2/28/2007	E				12.96	
	GJ-0000000000046	A	NLCE/S	Current Earn / Income Summe GJ	3/31/2007	E				241.98	
	GJ-0000000000049	A	NLCE/S	Current Earn / Income Summe GJ	3/31/2007	E				300.86	
	GJ-0000000000060	A	NLCE/S	Current Earn / Income Summe GJ	3/31/2007	E				400.00	
	GJ-0000000000061	A	NLCE/S	Current Earn / Income Summe GJ	3/31/2007	E				280.86	
	GJ-0000000000062	A	NLCE/S	Current Earn / Income Summe GJ	3/31/2007	E				280.8	
	GJ-0000000000050	A	NLCE/S	Current Earn / Income Summe GJ	4/30/2007	E				326.62	
	GJ-0000000000051	A	NLCE/S	Current Earn / Income Summe GJ	5/31/2007	E				13.81	
	GJ-0000000000052	A	NLCE/S	Current Earn / Income Summe GJ	6/30/2007	E				1,512.03	
	-0000000000053	A	NLCE/S	Current Earn / Income Summe GJ	7/31/2007	E				12.05	
	GJ-0000000000054	A	NLCE/S	Current Earn / Income Summe GJ	8/31/2007	E				12.07	
	GJ-0000000000055	A	NLCE/S	Current Earn / Income Summe GJ	9/30/2007	E				12.12	
	GJ-0000000000056	A	NLCE/S	Current Earn / Income Summe GJ	10/31/2007	E				12.20	

Open Balance: 60-6080 - Office Supplies Admin

60-6090 - Misc Supplies Admin  
Open Balance:

Posted  
AP-00000000027 A 000075  
Created : 3/21/2008 4:37:02PM

400.00

Page: 9

**General Ledger Report**

Period End Range: 1/31/2007 Through 12/31/2007

Account

Jnl

Batch No. Type Document No. Description

Jnl Apl Date Sys IntCo

Subsid

Debit Amount

Credit Amount

60-6530 - Bank Fees Admin

Open Balance:

143.16

Posted Starting Balance: NET

0.00

Account Total: NET

400.00  
400.00  
0.00

143.16  
BB-0000000000017 A 0111  
BB-0000000000020 A 0131  
BB-0000000000020 A 0227  
BB-0000000000020 A 0227  
BB-0000000000020 A 0227  
BB-0000000000020 A 0316  
BB-0000000000020 A 0424  
BB-0000000000020 A 0515  
BB-0000000000020 A 0531  
BB-0000000000020 A 0630  
BB-0000000000020 A 731  
BB-0000000000020 A 0831  
BB-0000000000020 A 0930  
BB-0000000000020 A 1031

WIRE TRANSFER FEE BB 1/1/2007 4 6.00  
ANALYSIS CHARGE BB 1/31/2007 4 9.92  
WIRE TRANSFER FEE BB 2/27/2007 4 6.00  
BANK FEES BB 2/27/2007 4 0.96  
WIRE TRANSFER FEE BB 3/16/2007 4 6.00  
WIRE TRANSFER FEE BB 4/24/2007 4 20.00  
WIRE FEE BB 5/15/2007 4 6.00  
BANK FEES BB 5/31/2007 4 7.81  
BANK FEES BB 6/30/2007 4 12.03  
BANK FEES BB 7/31/2007 4 12.05  
BANK FEES BB 8/31/2007 4 12.07  
BANK FEES BB 9/30/2007 4 12.12  
BANK FEES BB 10/31/2007 4 12.20

Account Total: NET

143.16

60-6551 - Legal Fees Admin  
Open Balance:

Posted Starting Balance: NET

0.00

143.16  
Posted  
AP-00000000000124 A 000063  
AP-0000000000025 A 000072

Vend-BURKE Inv No-03/ AP 1/1/2007 2 150.00  
Vend-HMT Inv No-JUN AP 6/7/2007 2 1,500.00

**General Ledger Report**

Period End Range: 1/31/2007 Through 12/31/2007

Account	Jnl	Ap Date	Sys	IntCo	Subsid	Debit Amount	Credit Amount
60-6590 - Travel Admin						1,650.00	0.00

Open Balance:

1-6590 AP-0000000000023 A	000055	Vend-BPARS	Inv No-INV AP 1/16/2007	2	182.92
	000067	Vend-WAK	Inv No-LUT AP 3/21/2007	2	241.98
			Account Total:	NET	424.90

61-6250 - Licenses, LLC, Fast Kit

Open Balance:

Posted		Posted Starting Balance:	NET	0.00	0.00	0.00
AP-0000000000025 A	000070	Vend-DIVCO	Inv No-LARI AP 4/19/2007	2	50.00	50.00
			Account Total:	NET	50.00	50.00

61-6552 - Outside Accounting Acc.

Open Balance:

Posted		Posted Starting Balance:	NET	0.00	0.00	0.00
AP-0000000000025 A	000071	Vend-BURKE	Inv No-LAR AP 4/19/2007	2	150.00	150.00
			Account Total:	NET	150.00	150.00

## General Ledger Report

Period End Range: 1/31/2007 Through 12/31/2007

Posted  
AP-000000000023 A 00053

AP-000000000024 A 000064  
AP-000000000024 A 000064

Vend-IBC  
Vend-IBC  
Vend-IBC

Inv No-JAN07	AP	1/20/2007	2
Inv No-FEB0	AP	2/27/2007	2
Inv No-FEB0	AP	2/27/2007	2

Account Total: **NET**

5,393.77

2,612.61  
2,865.43

2,612.61  
2,865.43

84.27

Defined Account Total: **NET**

0.00

1100

卷之三

Total transactions Processed:

Defined/Posted:	138
Defined/Unposted	0
Undefined/Unpost	0

二〇

Submitted by: IRACIE

Selections  
CURRENT

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ions

Created : 3/21/2008 4:37:02PM

*General Ledger Report*

Period End Range: 1/31/2007 Through 12/31/2007

Account	Jnl Batch No.	Type	Document No.	Description	Jnl	Ap	Date	Sys	IntCo	Subsid	Debit Amount	Credit Amount
Account Range:												
Tran Type Range:												
Currency Range:												
Journal Range:												
Period End Range:												
Source Company:												
Inter-Co ID:												
Account Type:												
System ID:												
P ~t Mode:												
L ay Natural Crncy:												
Page Break on Acct:												
Subtotal on Period:												
Activity Mode:												
Include Ending Adj Per:												
Include Undefined Acct:												
				Suppress Zero Balance Accounts with No Activity								
				No								

**EXHIBIT D**

**Section 8**  
**Termination and Dissolution of the LLC**

8.1. *Events of Dissolution.* The LLC shall be dissolved upon the occurrence of any of the following events:

- (a) The unanimous written consent of the Members;
- (b) The sale, transfer, or assignment of substantially all of the assets of the LLC;
- (c) (i) The adjudication of the LLC as insolvent within the meaning of insolvency in either bankruptcy or equity proceedings; (ii) the filing of an involuntary petition in bankruptcy against the LLC (which is not dismissed within 90 days); (iii) the filing against the LLC of a petition for reorganization under the Federal Bankruptcy Code or any state statute (which is not dismissed within 90 days); (iv) a general assignment by the LLC for the benefit of creditors; (v) the voluntary claim (by the LLC) that it is insolvent under any provisions of the Bankruptcy Code (or any state insolvency statutes); or (vi) the appointment for the LLC of a temporary or permanent receiver, trustee, custodian, or sequestrator and such receiver, trustee, custodian, or sequestrator is not dismissed within 90 days; and
- (d) As otherwise required by law.

8.2. *Conclusion of Affairs.* In the event of the dissolution of the LLC for any reason, the Members shall deliver articles of dissolution to the Department of State for filing, and shall proceed promptly to wind up the affairs of and liquidate the assets of the LLC. Except as otherwise provided in these Regulations, the Members shall continue to share distributions and tax allocations during the period of liquidation in the same manner as before the dissolution.

8.3. *Liquidating Distributions.* After paying or providing for the payment of all claims, debts or liabilities and obligations of the LLC and all expenses of liquidation, the proceeds of the liquidation and any other assets of the LLC shall be distributed to or for the benefit of the Members in accordance with Section 6.1 of these Regulations.

8.4. *Termination.* Upon completion of the liquidation of the LLC and the distribution of all LLC assets, the LLC shall terminate and the Members shall have the authority to execute and record Articles of Dissolution of the LLC, as well as any and all other documents required to effectuate the dissolution and termination of the LLC.

**Section 9**  
**Transfers of Membership Units**

9.1. *Restrictions on Transfers.* Membership Units may be Transferred, as defined below, in whole or in part only in accordance with other specific provisions of these Regulations and the following provisions:

(a) For purposes of these Regulations, the term "Transfer" or "Transferred" shall mean the sale, assignment, transfer, pledge, encumbrance, or other disposition, by operation of law or otherwise, of Membership Units.

(b) Membership Units shall not be Transferred without the following:

- (1) The full compliance with the terms of this Section 9;
- (2) The consent of the Member(s) owning the remaining Membership Units; and

(3) An opinion of counsel, satisfactory to the Member(s) owning the remaining Membership Units, that the Transfer of the Membership Units does not violate the Securities Act of 200433 or any applicable state securities laws.

(c) Any Transfer of Membership Units shall be effective only to give the person to whom Transferred (the "Transferee") the right to receive the share of tax allocations and distributions to which the person transferring (the "Transferor") would otherwise be entitled. Except as otherwise provided herein, no Transferee of a Membership Units shall have the right to become a substituted Member unless the Member(s) owning the remaining Membership Units, in the exercise of its or their sole and absolute discretion, expressly consents thereto in writing and the Transferee agrees to be bound by all the terms and conditions of these Regulations as then in effect. Unless and until a Transferee is admitted as a substituted Member, the Transferee shall have no right to exercise any of the powers, rights, and privileges of a Member hereunder.

(d) No Member shall cause or permit to be created a lien or security interest in its Membership Units, except in favor of a lender to the LLC and upon Approval of the Members.

(e) Each Member agrees not to Transfer all or any part of its Membership Units (or take or omit any action, filing election, or other action which could result in a deemed transfer) if such Transfer (either considered alone or in the aggregate with prior transfers by other Members) would result in the termination of the LLC for federal income tax purposes. In order to enable the Members to identify Transfers which could result in such a termination, each Member covenants and agrees to immediately inform the other Members of any Transfers (or deemed Transfers for purposes of the Code).

(f) Any Transfer not in accord with this Section 9 shall be void *ab initio*.

(g) The LLC, each Member, and any other person or persons having business with the LLC need deal only with Members who are admitted as Members or as substituted Members of the LLC, and they shall not be required to deal with any other person by reason of Transfer or assignment of a Membership Unit by a Member or by reason of the death of a Member, except as otherwise provided in these Regulations. In the absence of the substitution (as provided herein) of a Member for an assigning or transferring Member, any payment to a Member or any trustee in bankruptcy in accordance with the terms of these Regulations shall

acquit the LLC and any other Member of all liability to any other persons or entities who may be interested in such payment by reason of assignment or transfer of such Member.

(h) Notwithstanding anything to the contrary, a Member may, at any time, transfer

his or her Membership Units to a revocable living trust wherein the transferor retains the power, acting alone, to re-vest title back into the Member's individual name.

9.2. *Right of First Refusal.* In the event that a Member (the "Selling Member") desires to transfer to any third person all or a portion of its Membership Units, the Selling Member may do so only in full and complete compliance with the procedures set forth in Section 9.1 and the procedures set forth below for each instance of transfer:

(a) The Selling Member shall give written notice (the "Notice") to each other Member ("Offeree(s)") setting forth, in substance, the following:

(1) That the Selling Member has given to, or received from, a third party (the "Offeror") a good faith written offer (the "Offer") to transfer all or a part of its Membership Units (the "Offered Interest"); and

(2) That the Selling Member thereby offers to transfer all Offered Interest to the Offeree(s), *pro rata* according to its or their respective Ownership Interests, at a price and upon such terms and conditions as are set forth in the Offer, a true copy of which shall be attached to the Notice.

(b) Within thirty (30) days after receipt of the Notice (the "Transfer Offering Period"), the Offeree(s) may, at its or their option, elect to purchase all (but not less than all) of the Offered Interests by giving written notice of the intention to do so to the Selling Member. Any Offeree may assign its purchase rights hereunder to any Member owning Membership Units. Closing of the purchase of the Offered Interests shall occur as set forth in Section 9.3.

(c) In the event that no Offeree(s) agree to purchase all of the Offered Interests in accordance with subparagraph (2) of this Section 9.2, the Selling Member shall provide Notice of such event to the President of the LLC. The LLC shall then have the amount of time set forth in the Transfer Offering Period to determine, based on the Approval of the Members other than the Selling Member, whether it shall elect to purchase all (but not less than all) of the Offered Interests, by giving written notice of its intention to do so to the Selling Member. The LLC may assign its purchase rights hereunder to any Member or other Person. Closing of the purchase of the Offered Interests shall occur as set forth in Section 9.3. Failure of the LLC or its assignee to notify the Selling Member of its acceptance within the relevant Transfer Offering Period shall be deemed to be its refusal to acquire the Offered Interests.

(d) In the event that an offer to Transfer made pursuant to Section 9.2(a), (b), or (c) is rejected, whether by expiration of the Transfer Offering Period or otherwise, and the Selling Member has complied with the requirements of Section 9.1 and Section 9.2, the Selling Member shall be permitted to Transfer the Offered Interests to the Offeror upon the terms and

conditions as stated in the Offer; provided, however, that such Transfer may not be effected until the Offeror has executed and adopted these Regulations or a counterpart thereof. Closing of the purchase of the Offered Interest shall occur as set forth in Section 9.3. Transfer pursuant to the Offer must be made within sixty (60) days following the expiration of the relevant Transfer Offering Period and, if the Transfer is not made within such time period, the Offered Interests shall again become subject to the restrictions of these Regulations.

9.3. *Closing of a Transfer.* Closing for the Transfer of Membership Units pursuant to Section 9.2 shall occur within sixty (60) days following expiration of any relevant Transfer Offering Period and shall take place at the office of the LLC at 10:00 a.m. on the date so specified in the written notice, or at such other time and place as shall be mutually agreeable. At such closing, the seller must transfer and deliver the Membership Units to the buyer and the buyer shall pay the agreed consideration to the seller. The seller shall also deliver to the buyer an instrument executed by the seller, warranting that the Membership Units are free and clear of all liens, claims, and encumbrances of every kind. The seller shall also agree therein to indemnify the buyer against and to hold it harmless from any loss, cost, or damage which it may incur by reason of the breach of such warranty. Further, in the event that the seller shall fail to appear at the closing or shall fail to deliver the certificate or certificates representing the Membership Units when required to do so, or shall otherwise fail to comply with its obligations under these Regulations, the buyer may thereupon place cash or immediately and available funds equal to the purchase price in escrow for the seller, whereupon the LLC shall be privileged to cancel the seller's Membership Units and to treat the Membership Units as having been purchased by the buyer. Such purchase price shall be released from escrow only upon surrender by the seller of such certificate or certificates, properly endorsed for transfer, or proof of destruction or loss thereof satisfactory to the LLC.

9.4. *Repayment of Outstanding Loans of Members.* Notwithstanding any other provision of this Section 9, no Member may Transfer its Membership Units to a third party, and neither the LLC nor any Member may elect to purchase the Membership Units of another Member, unless such Member or the LLC agrees to pay, in cash at the time of closing of such transaction, any and all outstanding loans, debts, and obligations owed by the LLC to every other Member.

## Section 10 Administrative Provisions

### 10.1. *Principal Office.*

(a) The initial principal place of business and principal office of the LLC shall be in Brevard County, Florida. The LLC may relocate the principal office and principal place of business and have such additional offices as the Members may deem advisable.

(b) The President shall have the power, on behalf of the LLC, to designate, where required, a registered agent (or other agent for receipt of service of process) in each state or other jurisdiction in which the LLC transacts business and to designate, to the extent required, an office, place of business, or mailing address within or without that state or other jurisdiction.

**EXHIBIT E**

## Property Detail Report

For Property Located At:  
6428 SINATRA PKWY, LAREDO, TX 78041



### Owner Information

Owner Name: NORTHPOINT PARK LTD  
Mailing Address: 517 SHILOH DR #1, LAREDO TX 78045-6722 C076  
Vesting Codes: // CO

### Location Information

Legal Description: JACAMAN RANCH, BLOCK 2, LOT 13, UNIT 8  
County: WEBB, TX APN: 947-46002-130  
Census Tract / Block: 16.02 / 2 Alternate APN: 319085  
Township-Range-Sect: Subdivision: JACAMAN RANCH  
Legal Book/Page: Map Reference: /  
Legal Lot: 13 Tract #:  
Legal Block: 2 School District: S7  
Market Area: School District Name: UNITED ISD  
Neighbor Code: CD94 Munic/Township: LAREDO

### Owner Transfer Information

Recording/Sale Date: / Deed Type:  
Sale Price: 1st Mtg Document #:

Document #:

### Last Market Sale Information

Recording/Sale Date: 03/14/2011 / 03/10/2011 1st Mtg Amount/Type: \$479,750 / CONV  
Sale Price: \$599,687 1st Mtg Int. Rate/Type: /  
Sale Type: ESTIMATED 1st Mtg Document #: 3061-681  
Document #: 3061-676 2nd Mtg Amount/Type: /  
Deed Type: SPECIAL WARRANTY DEED 2nd Mtg Int. Rate/Type: /  
Transfer Document #: Price Per SqFt:  
New Construction: Multi/Split Sale: MULTIPLE  
Title Company: NEEL TITLE CORP  
Lender: FALCON INTL BK  
Seller Name: COMPASS BK

### Prior Sale Information

Prior Rec/Sale Date: 06/04/2007 / 05/31/2007 Prior Lender: LAREDO NATL BK  
Prior Sale Price: \$988,190 Prior 1st Mtg Amt/Type: \$743,000 /  
Prior Doc Number: 2370-118 Prior 1st Mtg Rate/Type: /  
Prior Deed Type: WARRANTY DEED

### Property Characteristics

Year Built / Eff	/	Total Rooms/Offices	Garage Area:
Gross Area:		Total Restrooms:	Garage Capacity:
Building Area:		Roof Type:	Parking Spaces:
Tot Adj Area:		Roof Material:	Heat Type:
Above Grade:		Construction:	Air Cond:
# of Stories:		Foundation:	Pool:
Other Improvements:		Exterior wall:	Quality:
		Basement Area:	Condition:

### Site Information

Zoning:	B-4	Acres:	0.79	County Use:
Lot Area:	34,412	Lot Width/Depth:	x	State Use: VACNT-PLATTED- LOT-COMM (C2)
Land Use:	COMMERCIAL LOT	Commercial Units:		Water Type:
Site Influence:		Sewer Type:		Building Class:
Tax Information				
Total Value:	\$184,110	Assessed Year:	2013	Property Tax: \$4,594.37
Land Value:	\$184,110	Improved %:		Tax Area: G3
Improvement Value:		Tax Year:	2013	Tax Exemption:
Total Taxable Value:				

Street Map  
Plus Report  
For Property  
Located At



**U.S. TITLE RECORDS**  
PROPERTY & TITLE INFORMATION

**6428 SINATRA PKWY, LAREDO, TX 78041**

[View Interactive Map](#)

Transaction  
History Report  
For Property  
Located At



**U.S. TITLE RECORDS**  
PROPERTY & TITLE INFORMATION

**6428 SINATRA PKWY, LAREDO, TX 78041**

#### TRANSACTION HISTORY

History Record #: 1

##### *Sale:*

Sale Recording Date:	<b>03/14/2011</b>	Sale Price:	<b>\$599,688</b>
Sale Date:	<b>03/10/2011</b>	Sale Price Type:	<b>ESTIMATED</b>
Rec. Document #:	<b>3061-676</b>	Multi/Split Sale:	<b>MULTIPLE</b>
Document Type:	<b>SPECIAL WARRANTY DEED</b>	Other Document #:	

Title Company: **NEEL TITLE CORP**  
Buyer: **NORTHPOINT PARK LTD**  
Seller: **COMPASS BK**

##### *Finance:*

Mtg Recording Date:	<b>03/14/2011</b>	Mtg Loan Type:	<b>CONV</b>
Mtg Document #:	<b>3061-681</b>	Mtg Rate Type:	
Document Type:	<b>DEED OF TRUST</b>	Mtg Term:	<b>15 YEARS</b>
Lender:	<b>FALCON INT'L BK</b>	Mtg Rate:	
Loan Amount:	<b>\$479,750</b>	Borrower Vesting:	<b>// CO</b>
Borrower 1:	<b>NORTHPOINT PARK LTD</b>		

Borrower 2:  
Borrower 3:  
Borrower 4:

History Record #: 2

**Sale:**

Sale Recording Date:	<b>03/09/2009</b>	Sale Price:	<b>\$802,156</b>
Sale Date:	<b>02/03/2009</b>	Sale Price Type:	
Rec. Document #:	<b>2723-659</b>	Multi/Split Sale: </TD>	<b>MULTIPLE</b>
Document Type:	<b>TRUSTEE'S DEED</b>	Other Document #:	
Title Company:	<b>ATTORNEY ONLY</b>		
Buyer:	<b>COMPASS BK</b>		
Seller:	<b>GARCIA CLAUDIA L</b>		

History Record #: **3**

**Finance:**

Mtg Recording Date:	<b>08/01/2008</b>	Mtg Loan Type:	
Mtg Document #:	<b>2626-32</b>	Mtg Rate Type:	
	<b>MORTGAGE</b>		
Document Type:	<b>MODIFICATION AGREEMNT</b>	Mtg Term:	<b>1 YEARS</b>
	<b>* OTHER</b>		
Lender:	<b>INSTITUTIONAL LENDERS</b>	Mtg Rate:	
Loan Amount:	<b>\$743,000</b>	Borrower Vesting:	<b>//</b>
Borrower 1:	<b>MINOR THOMAS</b>	Orig. Recording Date:	
	<b>A</b>		
Borrower 2:	<b>PARSONS WILLIAM R</b>	Orig. Document #:	
Borrower 3:			
Borrower 4:			

History Record #: **4**

**Sale:**

Sale Recording Date:	<b>06/04/2007</b>	Sale Price:	<b>\$988,190</b>
Sale Date:	<b>05/31/2007</b>	Sale Price Type:	<b>ESTIMATED</b>
Rec. Document #:	<b>2370-118</b>	Multi/Split Sale:	
Document Type:	<b>WARRANTY DEED</b>	Other Document #:	
Title Company:			
Buyer:	<b>MINOR TOMAS A</b>		
Seller:	<b>PRUNEDA FRANCISCO JR &amp; LAURA</b>		

**Finance:**

Mtg Recording Date:	<b>06/04/2007</b>	Mtg Loan Type:	
Mtg Document #:	<b>2370-122</b>	Mtg Rate Type:	
Document Type:	<b>DEED OF TRUST</b>	Mtg Term:	<b>1 YEARS</b>
Lender:	<b>LAREDO NATL BK</b>	Mtg Rate:	
Loan Amount:	<b>\$743,000</b>	Borrower Vesting:	<b>//</b>
Borrower 1:	<b>MINOR TOMAS A</b>		
Borrower 2:	<b>PARSONS WILLIAM R</b>		
Borrower 3:			
Borrower 4:			

**EXHIBIT F**



Dcmmtg@cs.com  
03/08/2006 01:45 PM

To  
Subject Fwd: Revised - Exhibit A page

T. Alan Minor  
President  
Commercial Services  
Diversified Commercial Mortgage  
(P) 804-423-6412  
(P) 866-562-2147  
(F) 866-331-3568

----- Message from Bill Parsons <bparsons@schms.com> on Wed, 8 Mar 2006 11:42:12 -0800 (PST) -----

**To:** "T. Alan Minor" <dcmmtg@cs.com>  
**Subject:** Revised - Exhibit A page

Alan,

Please replace this corrected percentage's page with the one that is incorrect.

Thanks,  
Bill

Bill Parsons  
President  
Space Coast Hospitality Management Services  
P.O. Box 321534  
Cocoa Beach, FL 32931  
Phone: 321-868-4304



Fax: 321-868-3938 EXHIBIT A - Subscription Agreement %'s.doc

**EXHIBIT "A"**

**WINPAR HOSPITALITY LAREDO, LLC**

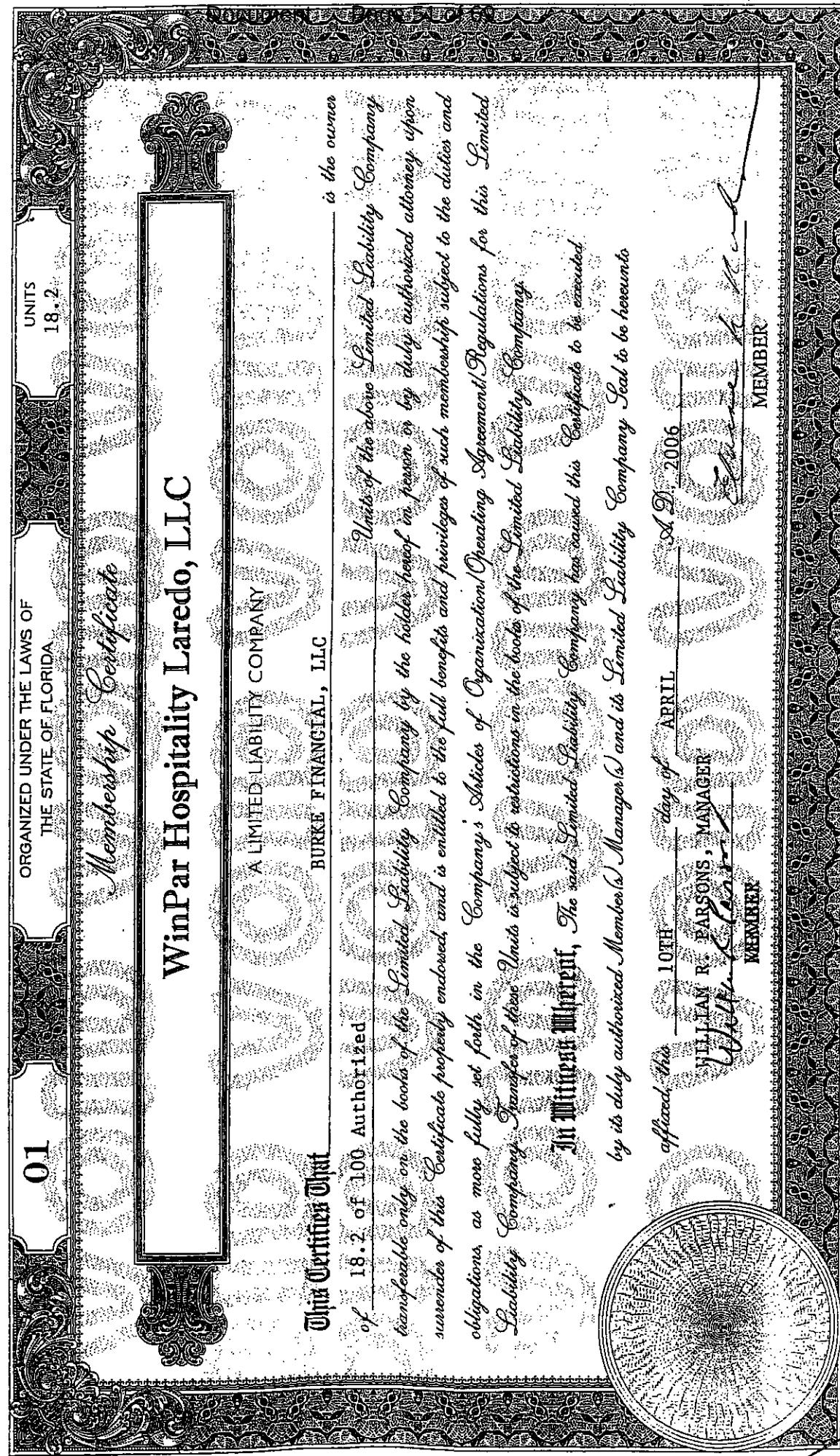
**List of Members and Percentages**

<b><u>Member</u></b>	<b><u>Percentage</u></b>
WinPar Hospitality, LLLP	<b>40.9%</b>
T. Alan Minor	<b>40.9%</b>
Eloise Hahn	<b>18.2%</b>

CERTIFICATE No. 01 For 18.2 Units For 18.2 Units Received Certificate No. — From whom transferred —

Issued to BURKE FINANCIAL, LLC

Dated APRIL 10, 2006



Confirmation Report - Memory Send

Page : 001  
Date & Time: Mar-30-06 12:02pm  
Line 1 : +13128864235  
Machine ID : US EPA

Job number : 896  
Date : Mar-30 12:01pm  
To : 913124543856  
Number of pages : 001  
Start time : Mar-30 12:01pm  
End time : Mar-30 12:02pm  
Pages sent : 001  
Status : OK  
Job number : 896

\*\*\* SEND SUCCESSFUL \*\*\*

March 30, 2006

**MEMORANDUM**

**TO:** James Abraham via facsimile (312) 454-3856  
Vice President of Investments  
Stifel Nicolaus  
**FROM:** Eloise Hahn *Eloise Hahn*  
**RE:** Accnt No. 31348898

Please wire \$220,700 of monetary funds to:

International Bank of Commerce  
1200 San Bernado Ave  
Laredo, TX 78042  
Ph. 956-722-7611

The money should be credited to Winpar Hospitality Laredo LLC

Routing #1140902528  
Account # 6001323623

Please email me receipt that this was done today. My email address is: [hahn.eloise@epa.gov](mailto:hahn.eloise@epa.gov)  
I would also appreciate if you email my business partner Alan Minor a copy of receipt as well.  
His email address is: [Dcmmtg@cs.com](mailto:Dcmmtg@cs.com). Thank you very kindly.

**EXHIBIT G**

**Eloise K. Hahn**  
**313 East 1300 North**  
**Chesterton, IN 46304**  
**(708) 408-8266**  
**[eloisehahn349@gmail.com](mailto:eloisehahn349@gmail.com)**

January 18, 2011

*Alan Minor*  
11603 Hardwood Drive  
Midlothian, VA 23114

Re: Promissary note date September 17, 2009

Dear Alan:

*I am writing to you to demand the \$250,000 in its entirety effective today, January 18, 2011. In accordance with the Promissary Note you agreed to pay back the \$250,000 on a best efforts basis. Further, you agreed to assist me with any and all business statements requested. To date, I have not received any receipts, checks, etc., which document the disbursement of my \$250,000. The Internal Revenue Service has also gotten involved and is demanding proof of the disposition of my \$250,000. The listing agreement with Lula Morales terminated in year 2008. The listing agent further indicated to me that the property was foreclosed upon. Please get back with me ASAP. Thank you very kindly.*

*Sincerely yours,*

*Eloise K. Hahn*

***Eloise K. Hahn  
313 East 1300 North  
Chesterton, IN 46304  
(708) 408-8266  
eloisehahn349@gmail.com***

*January 18, 2011*

*William (Bill) Parsons  
152 Martesia Way  
Indian Harbor Beach, Florida 32937*

*Re: Promissary note date September 17, 2009*

*Dear Bill:*

*I am writing to you to demand the \$250,000 in its entirety effective today, January 18, 2011. In accordance with the Promissary Note you agreed to pay back the \$250,000 on a best efforts basis. Further, you agreed to assist me with any and all business statements requested. To date, I have not received any receipts, checks, etc., which document the disbursement of my \$250,000. The Internal Revenue Service has also gotten involved and is demanding proof of the disposition of my \$250,000. The listing agreement with Lula Morales terminated in year 2008. The listing agent further indicated to me that the property was foreclosed upon. Please get back with me ASAP. Thank you very kindly.*

*Sincerely yours,*

*Eloise K. Hahn*

**EXHIBIT H**

all make such offsetting special allocations of LLC income, gain, loss, or deduction in manner they determine appropriate so that, after such offsetting allocations are made, each Member's Capital Account balance is, to the extent possible, equal to the Capital Account balance such Member would have had if the Regulatory Allocations were not part of the Regulations and all items were allocated pursuant to Section 7.2(c).

7.3. *Tax Year and Accounting Matters.* The Fiscal Year of the LLC shall be the calendar year. The LLC shall adopt such methods of accounting and file its tax returns on the methods of accounting determined by the Members. The Members shall be responsible for all accounting matters of the LLC.

7.4. *Tax Elections.* The Members agree that the LLC shall be taxed as a Partnership for tax purposes, and the Members shall take any and all action necessary to effectuate Partnership tax treatment. The Members, in their reasonable discretion, may cause the LLC to make or revoke all tax elections provided for under the Internal Revenue Code.

7.5. *Tax Matters Member.* **WILLIAM R. PARSONS** shall be the "Tax Matters Member" of the LLC, as that term is used in Subchapter C of Chapter 63 of the Code, and the Members will take such actions as may be necessary, appropriate, or convenient to effect the designation of **WILLIAM R. PARSONS** as such Tax Matters Member. The Tax Matters Member shall have full and unlimited discretion to perform or to fail to perform any actions or to make any decisions which under the Code may be made by a Tax Matters Member. All costs of **WILLIAM R. PARSONS** in connection with its duties as "Tax Matters Member," including reasonable attorneys' fees, shall be the obligation of and shall be paid or reimbursed by the LLC.

## **Section 8** **Termination and Dissolution of the LLC**

8.1. *Events of Dissolution.* The LLC shall be dissolved upon the occurrence of any of the following events:

- (a) The unanimous written consent of the Members;
- (b) The sale, transfer, or assignment of substantially all of the assets of the LLC;
- (c) (i) The adjudication of the LLC as insolvent within the meaning of insolvency in either bankruptcy or equity proceedings; (ii) the filing of an involuntary petition in bankruptcy against the LLC (which is not dismissed within 90 days); (iii) the filing against the LLC of a petition for reorganization under the Federal Bankruptcy Code or any state statute (which is not dismissed within 90 days); (iv) a general assignment by the LLC for the benefit of

creditors; (v) the voluntary claim (by the LLC) that it is insolvent under any provisions of the Bankruptcy Code (or any state insolvency statutes); or (vi) the appointment for the LLC of a temporary or permanent receiver, trustee, custodian, or sequestrator and such receiver, trustee, custodian, or sequestrator is not dismissed within 90 days; and

- (d) As otherwise required by law.

8.2. *Conclusion of Affairs.* In the event of the dissolution of the LLC for any reason, the Members shall deliver articles of dissolution to the Department of State for filing, and shall proceed promptly to wind up the affairs of and liquidate the assets of the LLC. Except as otherwise provided in these Regulations, the Members shall continue to share distributions and tax allocations during the period of liquidation in the same manner as before the dissolution.

8.3. *Liquidating Distributions.* After paying or providing for the payment of all claims, debts or liabilities and obligations of the LLC and all expenses of liquidation, the proceeds of the liquidation and any other assets of the LLC shall be distributed to or for the benefit of the Members in accordance with Section 6.1 of these Regulations.

8.4. *Termination.* Upon completion of the liquidation of the LLC and the distribution of all LLC assets, the LLC shall terminate and the Members shall have the authority to execute and record Articles of Dissolution of the LLC, as well as any and all other documents required to effectuate the dissolution and termination of the LLC.

## **Section 9** **Transfers of Membership Units**

9.1. *Restrictions on Transfers.* Membership Units may be Transferred, as defined below, in whole or in part only in accordance with other specific provisions of these Regulations and the following provisions:

(a) For purposes of these Regulations, the term "Transfer" or "Transferred" shall mean the sale, assignment, transfer, pledge, encumbrance, or other disposition, by operation of law or otherwise, of Membership Units.

- (b) Membership Units shall not be Transferred without the following:
  - (1) The full compliance with the terms of this Section 9;
  - (2) The consent of the Member(s) owning the remaining Membership Units; and

## **ADDENDUM**

**Kevin L. Willis  
Attorney at Law  
2137 S. Euclid Ave., Ste. #3  
Berwyn, Illinois 60402  
(708)484-1000/484-1140 fax**

**February 6, 2006**

**Fax: 866-331-3568**

**Mr. T. Alan Minor**

**Re: Eloise Hahn – Laredo, TX Quality Inn**

**Dear Mr. Minor:**

**As you are aware, I am the attorney for Ms. Hahn. I have discussed the above investment with Ms. Hahn at great length. Ms. Hahn has instructed me to inform you that she is no longer interested in the Laredo, TX property.**

**Thank you for you consideration.**

**Yours truly,**



**Kevin L. Willis  
KLW/dkd**

Eloise Hahn/R5/USEPA/US  
07/25/2007 05:06 PM  
To Dcmmtg@cs.com  
cc  
bcc  
Subject Re: Laredo Project

Yes, proceed and advise me when I will get the \$250,000. I will send you wiring instructions for UBS not Stifel.  
Dcmmtg@cs.com

 Dcmmtg@cs.com  
07/19/2007 07:31 AM  
To  
Subject Re: Laredo Project

Traveling for work, not vacation. Call me on my cell phone -- 804-677-5923. We have been offered \$1,100,000.00 for the 3 lots in Laredo. That would pay you \$250,000.00 after the land loan is paid. Do you think we should pursue this option?

Thanks

T. Alan Minor  
President  
Commercial Services  
Diversified Commercial Mortgage  
(P) 804-423-6412  
(P) 866-562-2147  
(F) 866-331-3568

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eloisehahn149@gmail.com | Settings | Older version | Help | Sign out



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Contacts

- Chat

Search, add, or invite

• Eloise Hahn

Set status here

• Gustave Hahn-Powell

blpearson

dcmmtg

Eleni Makris

James Lydon

if1415

nummer99

Southwest Airlines

Southwest Airlines

Tim McNally

Options ▾ Add Contact

FW Title [Inbox](#) X

Dcmmtg@cs.com to me

show details Mar 24 (2 days ago) ▶ Reply ▾

Ellie,

Please handle with discretion as Eric knows nothing about our arrangement or Laredo, he is the Title Attorney for the lender on Paducah....Thanks

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[www.jameskellydex.com](http://www.jameskellydex.com)

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About these links

The title commitment for Paducah will be in by Wednesday of next week. It won't take us but a day or two to clear this commitment. If you have any questions, please feel free to contact me. I just got off the phone with our underwriters VP of underwriting and that is a valid timeline

Regards,

Eric Clayman, Esq.

*The Law Office of Eric H. Clayman, P.A.*

*RBC Title & Escrow Services, L.L.P.*

8184 Wiles Road

Coral Springs, FL, 33067

Office: (954) 332-2050

Fax: (954) 332-2051

Email: [eclayman@rbclawyers.com](mailto:eclayman@rbclawyers.com)

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Thanks for the update. Looks like things will begin to gel. Keep me posted. Thanks.

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eloisehahn149@gmail.com | Settings | Older version | Help | Sign out



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Donald Trump  
Eleni Makris  
James Lydon  
lf1415  
Southwest Airlines  
Southwest Airlines  
Tim McNally

Options Add Contact

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• Eloise Hahn If Peter or his daughter Eleni call you do not breathe a word. 8:43 AM (2 hours ago)

Dcmmtg@cs.com I will only take a call from your number... T. Alan 8:48 AM (2 hours ago)

Dcmmtg@cs.com to me show details 8:52 AM (2 hours ago) [Reply](#) | [v](#)

I spoke with the Title attorney and found out what's taking so long. The title company has very little underwriting staff left so when they get a big project they can only put 1 person on it and it just takes them longer. They have been hit by the economy too, they had to layoff most of their underwriters due to lack of work.

T. Alan Minor  
President  
Commercial Services  
Diversified Commercial Mortgage  
(P) 804-423-6412  
(C) 804-677-5923  
(F) 509-463-8480

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Fastest Closing Times, Nationwide  
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**SPACE COAST HOSPITALITY MANAGEMENT SERVICES**

**Property Listing**

The following is a list of Properties that are currently being managed by Space Coast Hospitality Management, Services.

**FLORIDA**

**Carrie Lee's Coffee & Tea Company**  
3550 N. Atlantic Ave.  
Cocoa Beach, FL 32931  
Phone: 321-323-5000  
Fax: 321-783-0980

**La Quinta Inn-Cocoa Beach**

128 rooms  
1275 N. Atlantic Ave.  
Cocoa Beach, FL 32931  
Phone: 321-783-2252  
Fax: 321-323-5045

**Wakulla Suites**

121 rooms  
3550 N. Atlantic Ave.  
Cocoa Beach, FL 32931  
Phone: 321-783-2230  
Fax: 321-783-0980

**INDIANA**

61 rooms  
**Sleep Inn-Ft. Wayne**  
2881 E. Dupont Rd  
Ft Wayne, IN 46825-1668  
Phone: 260-490-8989  
Fax: 260-490-8848

**MICHIGAN**

**Carrie Lee's Coffee & Tea Company**  
407 N. State Street  
Big Rapids, MI  
Phone: 231-796-3411  
Fax: 231-796-3446

**NORTH CAROLINA**

167 rooms  
**Quality Inn & Suites/Best Value Inn**  
(currently being renovated)  
7067 Albert Pick Rd.  
Greensboro, NC 27409  
Phone: 336-668-3900  
Fax: 336-668-7012

**OHIO**

**Holiday Inn Express**  
55 rooms  
**13300 Reynoldsburg-Baltimore Rd.**  
Pickerington, OH 43147  
Phone: 614-575-9900  
Fax: 614-575-9909

**Ramada Plaza**

255 rooms  
13,000 sq. foot banquet space  
Restaurant & bar  
11911 Sheraton Lane  
Cincinnati, OH 45246  
Phone: 513-671-6600  
Fax: 513-671-0507

**NEW YORK**

**Best Western/Norstar**  
77 rooms  
4630 Genesee St.  
Buffalo, NY 14225  
Phone: 716-631-8966

**Best Western/Crown Inn & Suites**

71 rooms  
8210 Park Rd.  
Batavia, NY 14020  
Phone: 585-344-8882  
Fax: 585-344-7187

**PENNSYLVANIA**

**Best Western**  
58 rooms  
79 Old Valley School Rd.  
Danville, PA 17821  
Phone: 570-275-5750  
Fax: 570-275-9310

**TEXAS**

La Quinta Inn and Suites-New Braunfels  
74 rooms  
365 S. Hwy 46  
New Braunfels, TX 78130  
Phone: 830-627-3333  
Fax: 830-627-3336

Microtel Inn and Suites  
85 rooms  
1025 S. Frio St.  
San Antonio, TX 78207  
Phone: 210-226-8666  
Fax: 210-226-4440

O'Brien Historic Hotel  
39 rooms  
116 Navarro St.  
San Antonio, TX 78205  
Phone: 210-527-1111  
Fax: 210-527-1112

**Under construction**

1-800-753-3757, La Quinta  
San Antonio, TX  
La Quinta Inn & Suites  
91 Rooms  
Utex rd  
109. 42 rooms.

San Antonio, TX  
Comfort Suites  
59 Rooms  
I-35 North  
877-424-6423, comfort suites  
Burnie, TX  
La Quinta  
74 rooms  
281 North  
Not completed.

\*WinPar LLC is the development company  
for Bill Parsons

Final analysis

San Antonio, TX  
La Quinta Inn & Suites  
92 rooms - completed  
1-800-753-3757

800-230-4134, Embassy  
**Under Development\***

Chattanooga, TN  
Cameron Square  
Riverfront Development  
Condominium and Embassy Suites

Laredo, TX  
Quality Suites  
85 Rooms  
Airport

Lexington, NC  
La Quinta Inn & Suites  
80 rooms  
Childress Vineyards

Richmond VA  
La Quinta Inn & Suites  
84 Rooms  
Airport  
9040 Pams Av.  
Completed

Evansville, IN  
The Atrium  
22 Condominiums  
7th street

Drucker Barrel  
I-35 6350 I-35 North  
210-646-6600 Not yet  
210-656-4600

San Antonio, TX

Comfort Suites  
11526 I-35 North  
I-35 North  
210-656-4600  
Completed



QUESTIONS? CALL 1-800-TRIBUNE

THURSDAY, OCTOBER 24, 2013

BREAKING NEWS AT CHICAGOTRIBUNE.COM

# After 7 years, fraud victims await justice

Bilked investors  
see little relief,  
but con man free

BY JASON MEISNER  
Tribune reporter

Myra Jo Fraley was  
looking for a little cushion  
for retirement when she  
invested in what

learned it was a scam, her  
money was gone. Now,  
more than seven years  
after federal authorities  
charged the con artist who  
ripped off her and thou-  
sands of others across the  
country, Fraley survives  
on Social Security and her  
late husband's modest  
pension. She feels she's  
still waiting for

# Chicago Tribune

SOUTHERN  
SURPRISES  
10 south suburban  
restaurants that satisfy

Dining



10 Chicago Tribune | Section 1 | Thursday, October 24, 2013

# Frustrated fraud victims not repaid

*Continued from Page 1*

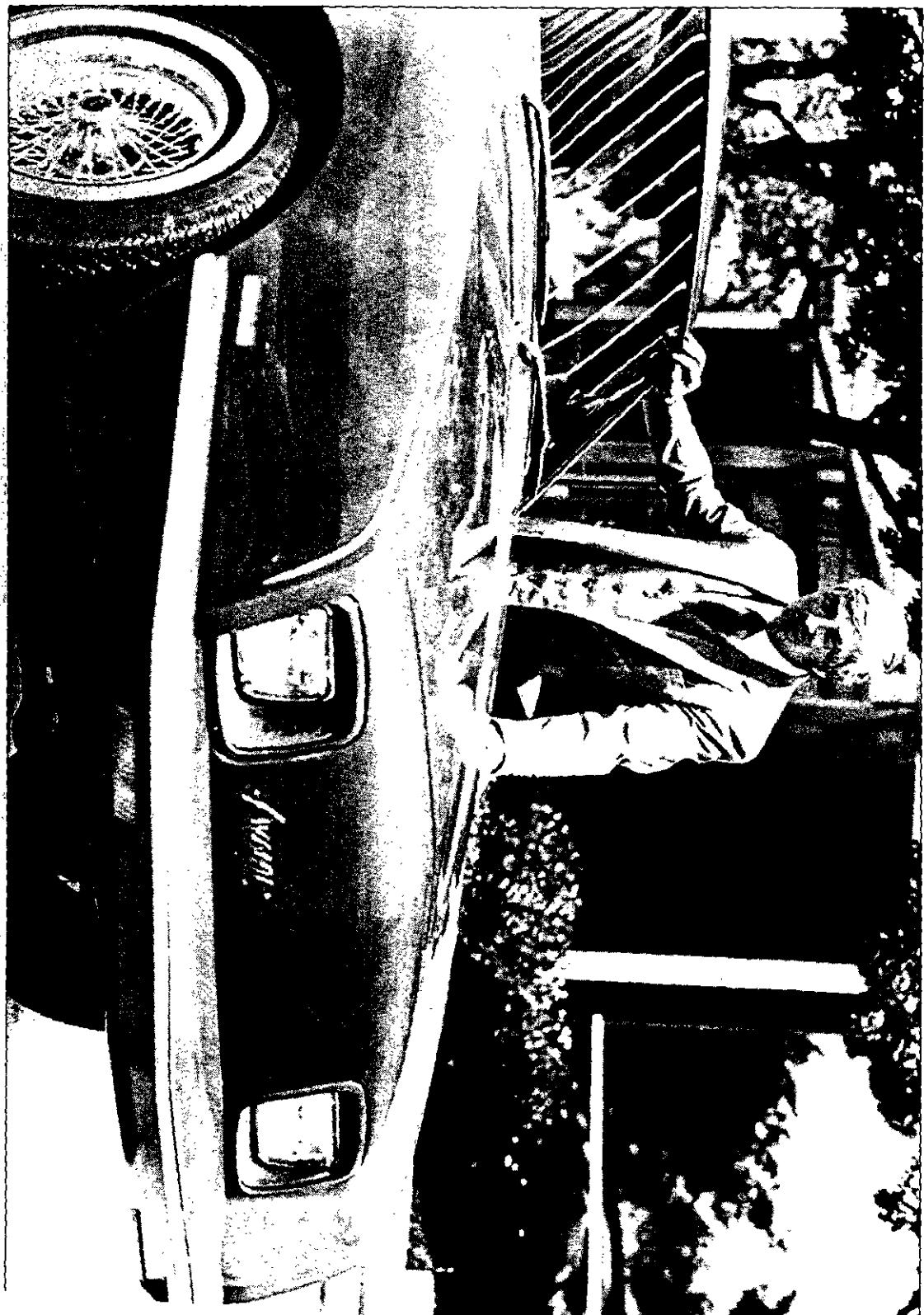
an estimated \$340 million.

After Kelly's arrest, authorities embarked on an extraordinary effort to repay the mostly elderly victims as much money as possible by selling off tens of millions of dollars worth of real estate, a corporate plane, luxury cars, nightclubs and other holdings in his vast portfolio that stretched from the trendiest sections of Mexico to the beaches of Panama City.

But what investigators found was a tangle of properties in various stages of completion, often encumbered by foreign laws and devalued by the worldwide recession that devastated the luxury travel and real estate markets. Many have wound up being unloaded for far less than initially expected — at a painstakingly slow pace.

Earlier this month, with attorney and consulting fees stemming from the sales continuing to mount, victims were notified the process could last well into next year and that they will likely get less than one-fifth of their investments back.

Adding to investors' frustration is what some view as lenient treatment doled out to Kelly, 64, who is sick with terminal colon



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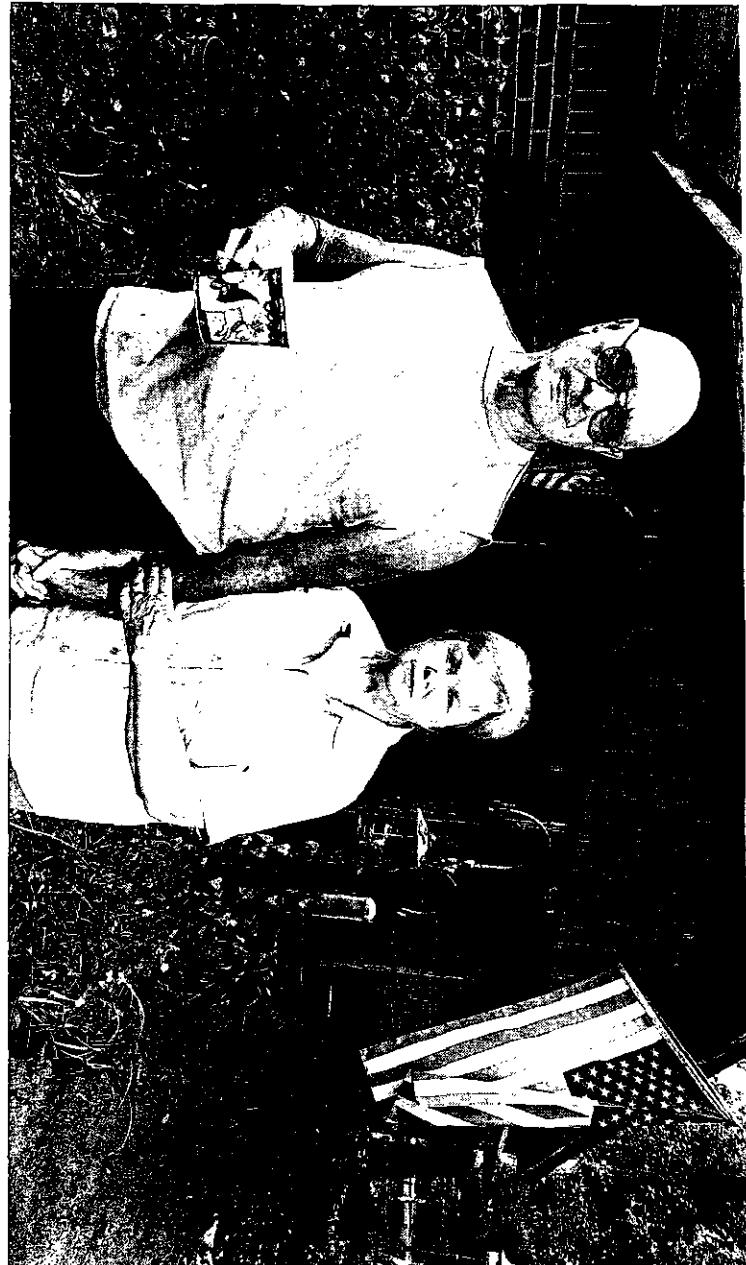
ing already spent six years in federal custody awaiting trial. U.S. District Judge Ronald Guzman allowed him to post bond on the remaining counts and live temporarily in his wife's Indiana home while he undergoes chemotherapy.

Initially scheduled to last a few months, the bond was extended indefinitely over the summer. At a hearing this month, prosecutors told the judge they were close to resolving the case, indicating another guilty plea to additional charges could be in the works.

Prosecutors say the effort to recoup the victims' money has been unprecedented and that even 20 percent would be far beyond the typical amount recovered in a fraud case. And the plea deal was the only way to ensure restitution for victims given Kelly's ill health.

Still, while all this has unfolded, the patience of many of Kelly's victims has worn thin. A number of investors have died waiting for a resolution, leaving heirs to take up their cause. Others have written to the court alleging that those in charge of selling Kelly's assets and cutting checks to victims have dragged their feet to allow huge fees to pile up. Some believe Kelly should remain behind bars in spite of his illness.

"I for one just wish they would sell all his holdings for the best price and send us as much as they can before we all die," Fraley said in a handwritten letter to the court earlier this year. "This has gone on long enough and I do not believe that he deserves one iota of consideration."



CHRIS TODD/PHOTO FOR THE TRIBUNE

## *"This has gone on long enough and I do not believe that he deserves one iota of consideration."*

— Myra Jo Fraley, about restitution for money scammed by Michael Kelly, who got out of prison early because he is ill

winning the approval of the local governor and working with well-known developers and architects. To facilitate construction, Kelly even bought his own nearby quarry to supply the massive amounts of landfill needed to fill in swampland.

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## **Unconventional fraud**

Wayne and Winky Touchstone, who live near Laurel, Miss., say they lost \$460,000, most of their retirement savings, in an investment fraud scheme involving Michael Kelly. Efforts to sell Kelly's property and repay victims have been difficult.

Despite its prime location, the luxury hotel is beset with massive liens and tax issues that are a huge red flag to investors.

Recently an offer for the Panama hotel came in for \$4 million, but after all the encumbrances are resolved

and legal fees and closing costs are paid, less than \$400,000 is expected to be left to put into the fund for Kelly's victims.

"We are extricating ourselves as best we can from it," Douglas Doetsch, the

market once they gained control. It operated in a country where real estate deals are the purview of

Victims who had to be vetted first to make sure they were legitimately owed money and how much.

Doetsch told the Tribune he sympathizes with the victims' frustrations and is committed to finishing the sell-off of assets as quickly as possible.

"I want to put myself out of business," he said.

Meanwhile, Guzman has agreed to raise attorneys fees for Doetsch's law firm, Mayer Brown, to \$538 an hour from \$465 an hour for its work. Another law firm

is a team of attorneys and

lawyers. "They show you there is cash going to lawyers, his blood boils.

Since his release from the Metropolitan Correctional Center in December, Kelly has been staying in a modest, ranch-style house off a rural road near Potato Creek State Park in northern Indiana, not far from his hometown of Lakeville where he began building his investment empire two decades ago.

On a recent afternoon, a frail-looking Kelly answered the door for a Tribune reporter but declined to comment. Half-depleted balloons from his grandson's birthday party still hung in the dining room.

As a younger man, Kelly had a passion for the auto industry and made a name for himself in the 1980s by rescuing from bankruptcy the famed Avanti Motor Corp., the heir of the Studebaker line.

He updated the company's iconic sedan and opened a new assembly line in Ohio, but the operation never fully got off the ground. Later he moved Avanti to Mexico, funding it in part with ill-gotten gains from his real estate scheme, prosecutors allege.

But it was as a salesman that Kelly made his mark.

To finance his developments, he created a scheme of "universal leases," paying exorbitant commissions to a nationwide network of brokers who conned investors into buying 25-year leases on a hotel room for one week each year. Investors could use the room for themselves, lease it to someone else or use another company — secretly controlled by Kelly — to lease the rooms at guaranteed annual returns as high as 11 percent. Virtually every investor chose the third option.

For most of the scheme, victims were fueled by

leave nothing to salvage after their inevitable collapse. But after Kelly's scam imploded, authorities found — with Kelly's cooperation — a horde of real estate and other assets, from hotels already up and running to massive residential developments in the midst of construction.

"In nearly four decades of practicing (law), I have never seen a scheme to defraud where the defendant actually invested hundreds of millions into valuable property," said Kelly's attorney, Jeffrey Steinback. "In his mind, there was an exit strategy where he could possibly settle with everyone and get out ... It was a very unconventional fraud."

The crown jewel of Kelly's portfolio was Puerto Cancun, a sumptuous, 800-acre development on the ocean featuring luxury homes set on private canals, a golf resort, a hotel, a marina and condominiums.

After others had failed, Kelly took over the project

more than a decade ago,

greased with bribes, Kelly's arrest had also made news in Mexico, scaring many potential buyers away. Even weather played a factor.

Investors were still skittish over the possibility of another hurricane after Wilma devastated Cancun in 2005.

When a buyer finally came forward in 2011, visitors were notified that a sale was imminent and given a chance to voice their approval or not. One victim, Charles Thompson, sent an email imploring authorities to "get this show on the road."

"My GOD how long is this gonna take??" he wrote.

Puerto Cancun was finally sold last year for about \$50 million after expenses, but other properties have been even more difficult to unload. On a recent morning at the Dirksen U.S. Courthouse in Chicago, attorneys updated the judge

on the latest Kelly asset to hit the blocks — a 137-room hotel just off the beach in

the sale.

One by one, agreements are being reached for Kelly's other assets. Last month, the judge approved orders to sell two of Kelly's beachfront mansions in Cancun to developers for a combined \$3.65 million, as well as a cruising yacht named C'est la Vie for an additional \$105,000. Lawyers told the judge they hoped an old health club Kelly had owned in town would fetch more than \$1 million despite its decayed condition.

"It's an unhealthy health club, you're telling me?" Guzman quipped.

## Lawyer fees rise, his blood boils

Four years have passed since Guzman appointed Doetsch — known in legal circles as a guru of Latin American corporate deals — as "special master" of the Kelly sales. Last year, \$50 million was disbursed to thousands of eligible vic-

tims.

When he signed the order to raise the legal fees in August, Guzman said he was aware the costs were high but that the government does not have the

resources or the know-how to investigate and conduct intricate financial dealings in foreign countries.

"Those who do, charge accordingly," the judge noted.

That has infuriated some

victims who believe the delays are intentional to keep the cash rolling in to attorneys and their cronies while victims sit and wait for their money.

Wayne Touchstone, a re-

tired oil company laborer

cutting checks to victims. And there have been myriad consultants, financial advisers and contractors paid for work done in Mexico and Panama.

For just the first eight months of 2012, Doetsch listed more than \$2.7 million in a court filing for legal fees and administrative expenses.

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that," Touchstone said. The stories told by the victims are often similar. Many came from modest backgrounds. They were

sewer installers, factory workers, teachers and state employees. They lost money they had worked all their

lives to save and have been forced to give up long-laid plans for retirement.

Others, like Alice Kopack of tiny Olivia, Minn., have been left in even more dire straits. "We have a two-month (overdue) gas bill, a two-month telephone bill, a two-month television bill, and everything is going to get shut off here," Kopack, 75, wrote to the court in 2011. "Is there any way we can find out when we'll be getting some money?"

Her husband, Ken, told the Tribune that debt collectors have been hounding him after a recent surgery left him with a mountain of debt.

"We were really relying on that money to pay bills," he said.

by FBI agents shortly before Christmas 2006 while being treated for heart trouble at a clinic in Jacksonville, Fla.

The next year, more than a dozen brokers used by Kelly to sell his leases were sued for fraud for allegedly collecting huge, undisclosed commissions totaling more than \$72 million.

The victims who spoke to the Tribune said they still have a hard time believing they were duped. Fraley, the Tennessee great-grandmother, said she was particularly embarrassed given her long career in finance. She was well aware of schemes targeting the elderly, but when her relative came to her with the pitch from a Kelly associate, it sounded plausible.

"I went through all of it, and it seemed like a good deal," Fraley said. "I wouldn't have done it if it didn't look right."

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